

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

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NO.

DATE

18 March 1985

TO: (Officer designation, room number, and building)

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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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For your review, attached is Ongoing Congressional Activity -- Budget and Supplemental.

*Administrative*  
*1- Budget Proposal*  
*1- Supplement*

Budget Proposals

- Representative Oakar who chairs the Subcommittee on Compensation and Employee Benefits of the House Post Office and Civil Service Committee held a hearing in late February on the budget proposals which were presented to the subcommittee by the Director, OPM. Agency representatives attended the hearing, and there was no support in the subcommittee for any of the budget proposals. In fact, members of the subcommittee made strong statements against the changes.
- Both the Senate and House Budget Committees are now reviewing these proposals and here again there appears to be little support for the Administration's recommendations on retirement.
- Indications are that both budget committees will come up with alternative recommendations such as:
  - a freeze on pay or on periodic step increases in FY-86 (rather than a 5% pay cut)
  - an increase in employee retirement contributions from 7% to 9%
  - freeze on COLA for retirees in FY-86
- There have been no indications that the budget committees will take action on any of the other retirement proposals i.e. raise in age from 55 to 65; high-3 to high-5, sick leave, etc.

Supplemental

- 'The Stevens' proposal is currently on the back burner primarily because of lack of support from unions.
- Stevens' next step may be to attempt to gain Democratic support and generate a bipartisan bill; however, for now, activity in the Senate is focusing on the Administration budget proposals.
- In the House, Congressman Ford (D. Michigan) who chairs the House Post Office and Civil Service Committee plans to hold several hearings on supplemental retirement issues in April, but there is no current indications as to when a specific proposal will be forthcoming. As with the Senate, current attention in the House is centering on budget issues.
- Our reading is still that the House, i.e, Ford, wants a supplemental plan with benefits equivalent to the current system and the Senate will be looking for a plan to save some money.